

**UNIFIED SCHOOL DISTRICT NO. 230**

**Spring Hill, Kansas**

**Financial Statements**

**For the Year Ended June 30, 2014**

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UNIFIED SCHOOL DISTRICT NO. 230  
Financial Statements  
For the Year Ended June 30, 2014

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Education  
Unified School District No. 230  
Spring Hill, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 230, Spring Hill, Kansas (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statement

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As described in Note 1 of the financial statement, the financial statement is prepared by the District to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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#### *Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2014, or changes in financial position and cash flows thereof for the year then ended.

#### *Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

#### *Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, summary of regulatory basis receipts and disbursements-agency funds, and the schedule of regulatory basis receipts, expenditures and unencumbered cash-district activity funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statements, however, are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole, on the basis of accounting described in Note 1.

#### *Other Reporting Required by Government Auditing Standards*

In accordance with "Government Auditing Standards", we have also issued our report dated December 2, 2014, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the resulted of the audit.

#### *Other Matter*

The financial statements include partial prior-year comparative information. Such information does not include all of the information required for a presentation in conformity with the Kansas regulatory basis of accounting. Accordingly, such information should be read in conjunction with the District's financial statement for the year ended June 30, 2013, from which such partial information was derived. In our report dated December 2, 2013, on these financial statements we expressed an adverse opinion as to presentation on the basis of generally accepted accounting principles and an unmodified opinion as to presentation on the Kansas regulatory basis of accounting.

*Mig Houser : Company PA*

Certified Public Accountants

Lawrence, KS

December 2, 2014

UNIFIED SCHOOL DISTRICT NO. 230  
Summary Statement of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended June 30, 2014

<u>Funds</u>	Beginning Unencumbered Cash <u>Balance</u>	Prior Year Cancelled <u>Encumbrances</u>	<u>Receipts</u>	<u>Expenditures</u>	Ending Unencumbered Cash <u>Balance</u>	Outstanding Encumbrances and Accounts <u>Payable</u>	Ending Cash <u>Balance</u>
General Funds:							
General	\$ -	\$ -	\$ 16,622,138	\$ 16,622,138	\$ -	\$ 472,422	\$ 472,422
Supplemental General	817,458	-	5,416,804	5,534,866	699,396	-	699,396
Special Purpose Funds:							
Capital Outlay	650,913	-	121,571	206,177	566,307	-	566,307
Driver Training	37,157	-	34,706	27,790	44,073	-	44,073
Food Service	111,481	-	1,110,669	1,151,223	70,927	-	70,927
Parent Education	13,215	-	8,200	21,300	115	-	115
Special Education	208,377	-	3,428,035	3,545,647	90,765	91,506	182,271
Vocational Education	3,520	-	319,215	318,520	4,215	12,638	16,853
Special Assessment	1,028,893	-	528,793	609,854	947,832	-	947,832
KPERS Special Retirement Contribution	-	-	1,668,240	1,668,240	-	-	-
Professional Development	9,976	-	40,000	45,814	4,162	-	4,162
At Risk (4 Year Old)	8,660	-	25,000	29,347	4,313	-	4,313
At Risk (K-12)	9,122	-	890,000	894,751	4,371	14,429	18,800
Bilingual Education	4,074	-	31,000	33,225	1,849	1,648	3,497
Extraordinary Growth Facility	1	-	435,488	395,000	40,489	-	40,489
Special Liability	188,319	-	37,649	21,747	204,221	-	204,221
Federal Funds	-	-	163,092	163,092	-	4,909	4,909
Virtual Education	-	-	2,458,239	2,458,239	-	-	-
Textbook Rental	134,379	-	160,206	196,304	98,281	-	98,281
Gifts and Grants	75,906	-	46,512	69,999	52,419	-	52,419
Contingency Reserve	500,419	-	-	-	500,419	-	500,419
2012 Bond Construction Fund	11,058,665	-	18,279	6,989,401	4,087,543	-	4,087,543
District Activities	103,938	-	248,732	261,275	91,395	-	91,395
Bond and Interest Fund:							
Bond and Interest	<u>7,347,294</u>	<u>-</u>	<u>11,147,865</u>	<u>11,332,113</u>	<u>7,163,046</u>	<u>-</u>	<u>7,163,046</u>
Total Reporting Entity (excluding Agency Funds)	<u>\$ 22,311,767</u>	<u>\$ -</u>	<u>\$ 44,960,433</u>	<u>\$ 52,596,062</u>	<u>\$ 14,676,138</u>	<u>\$ 597,552</u>	<u>\$ 15,273,690</u>
Composition of Cash:							
			State Bank of Spring Hill Checking Accounts			\$ 3,722,459	
			Certificate of Deposit			15,000	
			First Option Bank Money Market				11,476,587
			Kansas Municipal Investment Pool Investments				<u>212,976</u>
			Cash Balance				15,427,022
			Less: Agency Funds per Schedule 3				<u>[153,332]</u>
			Total Reporting Entity (Excluding Agency Funds)				<u>\$ 15,273,690</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 230  
Notes to the Financial Statements  
For the Year Ended June 30, 2014

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Unified School District No. 230 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements present the District (the primary government). The District's only related municipal entity, the Recreation Commission, has not been presented.

The District's Recreation Commission oversees recreational activities. The Recreation Commission operates as a separate governing body but the District levies taxes for the Recreation Commission and the Recreation Commission has only the powers granted by statute K.S.A. 12-1928. Two of the five members of the Recreation Commission's governing body are appointed by the District, two other members are appointed by the City and the final member is appointed by the other four previously appointed members. The separately audited financial statements of the Recreation Commission are available upon request at the Recreation Commission office.

Reimbursed Expenses

Expenditures in the amount of \$348,822 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. the related disbursement was made in the current year on behalf of the payee,
2. the item paid for was directly identifiable as having been used by or provided to the payee, and
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Basis of Accounting

*Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America.* The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Regulatory Basis Fund Types

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the District for the year ended June 30, 2014:



UNIFIED SCHOOL DISTRICT NO. 230  
Notes to the Financial Statements  
For the Year Ended June 30, 2014

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types (Continued)

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - used to account for the proceeds of specific tax levies and other regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Agency Fund - used to report assets held by a municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, student organization fund, permanent trust funds, etc.).

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund(s), special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory basis receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget was not amended for the year ended June 30, 2014.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: Textbook Rental, Contingency Reserve, 2012 Bond Construction, and District Activity.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

UNIFIED SCHOOL DISTRICT NO. 230  
Notes to the Financial Statements  
For the Year Ended June 30, 2014

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Ad Valorem Tax Revenues

The determination of assessed valuations and collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuations on January 1 and the County Clerk spreads the annual assessment on the tax rolls. Property taxes are levied as of November 1 and become a lien on the property as of that date. Payments are due November 1, becoming delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year.

The County Treasurer is the tax collection agent for all taxing entities within the County. The initial distribution to the subdivisions, including the District, is on or before January 20 of the ensuing year. Additional amounts are distributed on four (4) subsequent dates throughout the calendar year.

NOTE 2 - Deposits and Investments

*Deposits.* K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

*Investments.* K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices. As of June 30, 2014, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
Kansas Municipal Investment Pool	\$ 212,976	S&P AA+/S1+

Some of the District's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the U.S. government or any agency thereof, and various other investments as specified in K.S.A. 10-131.

The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

*Concentration of credit risk.* State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

UNIFIED SCHOOL DISTRICT NO. 230  
Notes to the Financial Statements  
For the Year Ended June 30, 2014

NOTE 2 - Deposits and Investments (Continued)

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods".

At June 30, 2014, the District's carrying amount of deposits was \$15,427,022 and the bank balance was \$15,439,351. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance and the balance of \$14,333,649 was collateralized with securities held by the pledging financial institutions' agents in the District's name. The remaining balance of \$605,702 at one bank was undersecured at June 30, 2014, which is a violation of K.S.A. 9-1042

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

*Substance receipt in transit.* The District received \$1,015,436 in General State Aid and \$134,019 in Supplemental General State Aid subsequent to June 30, 2014 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2014.

NOTE 3 - Long-Term Debt

Following is a detailed listing of the District's long-term debt:

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Final Maturity Date</u>	<u>Balance June 30, 2014</u>
G.O. Bonds to be paid with tax levies:					
2005 Improvement Series	7/28/05	\$ 22,600,000	3.50 - 5.00%	9/1/24	\$ 2,205,000
2007 Refunding Series	3/15/07	6,115,000	3.625 - 4.00%	9/1/23	5,920,000
2011A Improvement Series	8/1/2011	39,000,000	4.00 - 5.50%	9/1/31	39,000,000
2011B Refunding Series	8/1/2011	15,130,000	2.00 - 4.00%	9/1/21	15,025,000
2012 Refunding Series	4/26/2012	9,440,000	2.00 - 3.00%	9/1/31	9,305,000
2013 Refunding Series	1/9/2013	8,975,000	1.00 - 3.00%	9/1/24	8,975,000
2014 Refunding Series	6/26/2014	5,060,000	2.00 - 3.00%	9/1/19	5,060,000

UNIFIED SCHOOL DISTRICT NO. 230  
Notes to the Financial Statements  
For the Year Ended June 30, 2014

NOTE 3 - Long-Term Debt (Continued)

Following is a summary of changes in long-term debt for the year ended June 30, 2014:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>	<u>Interest Paid</u>
G.O. Bonds To Be Paid With:					
Tax Levies					
2004 Series	\$ 750,000	\$ -	\$ 750,000	\$ -	\$ 12,188
2005 Series	7,510,000	-	5,305,000	2,205,000	701,750
2007 Refunding Bonds	5,950,000	-	30,000	5,920,000	236,756
2008 Refunding Bonds	1,125,000	-	1,125,000	-	21,094
2011A Series	39,000,000	-	-	39,000,000	1,923,218
2011B Refunding Bonds	15,100,000	-	75,000	15,025,000	557,200
2012 Refunding Bonds	9,375,000	-	70,000	9,305,000	271,500
2013 Refunding Bonds	8,975,000	-	-	8,975,000	-
2014 Refunding Bonds	-	5,060,000	-	5,060,000	-
Total	<u>\$ 87,785,000</u>	<u>\$ 5,060,000</u>	<u>\$ 7,355,000</u>	<u>\$ 85,490,000</u>	<u>\$ 3,723,706</u>

Annual debt service requirements to maturity for the above long-term debt:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 2,580,000	\$ 3,643,188	\$ 6,223,188
2016	2,765,000	3,440,269	6,205,269
2017	3,155,000	3,239,732	6,394,732
2018	3,530,000	3,139,069	6,669,069
2019	3,895,000	3,010,037	6,905,037
2020 - 2024	24,610,000	12,755,225	37,365,225
2025 - 2029	23,910,000	8,137,322	32,047,322
2030 - 2032	21,045,000	1,636,517	22,681,517
Total	<u>\$ 85,490,000</u>	<u>\$ 39,001,359</u>	<u>\$ 124,491,359</u>

UNIFIED SCHOOL DISTRICT NO. 230  
Notes to the Financial Statements  
For the Year Ended June 30, 2014

NOTE 3 - Long-Term Debt (Continued)

The District issued Series 2014 general obligation refunding bonds in the amount of \$5,060,000 on June 26, 2014, to refund \$5,105,000 of the District's Series 2005 general obligation bonds. The net proceeds were used to establish an escrow account invested in U.S Government Securities to pay the outstanding principal of the Series 2005 general obligation bonds and the interest due on the refunding general obligation bonds. As a result, this portion of the Series 2005 bonds was considered to be defeased and the liability for the defeased bonds has been removed from the District's financial statements. The transaction resulted in an economic gain of \$201,321 and a reduction of \$211,231 in future debt payments. The interest rate on the bonds is 2.00% to 3.00% and has a final maturity of September 1, 2019.

At June 30, 2014, the remaining principal balance of outstanding debt issues previously defeased is \$19,875,000. The principal and interest payments for these bonds will be paid by the trustee for the related escrow securities on the scheduled payment dates. This amount is not recorded in these financial statements.

The District entered into a sixty (48) month lease agreement for its copiers in July of 2012. The agreement calls for monthly payments of \$2,881. Operating lease payments for the year ended June 30, 2014 were \$34,572. Lease payments for the remaining term of the lease are as follows:

Year Ended <u>June 30,</u>	Operating Lease <u>Payments</u>
2015	\$ 34,572
2016	<u>34,572</u>
Total	<u>\$ 69,144</u>

NOTE 4 - Interfund Transfers

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	At Risk (4 Year Old)	K.S.A. 72-6428	\$ 25,000
General	At Risk (K-12)	K.S.A. 72-6428	700,000
General	Special Education	K.S.A. 72-6428	2,250,000
General	Virtual Education	K.S.A. 72-6428	2,458,239
General	Bilingual Education	K.S.A. 72-6428	16,000
General	Parent Education	K.S.A. 72-6428	8,200
Supplemental General	At Risk (K-12)	K.S.A. 72-6433	190,000
Supplemental General	Special Education	K.S.A. 72-6433	588,000
Supplemental General	Vocational Education	K.S.A. 72-6433	315,000
Supplemental General	Professional Development	K.S.A. 72-6433	40,000
Supplemental General	Bilingual Education	K.S.A. 72-6433	15,000

UNIFIED SCHOOL DISTRICT NO. 230  
Notes to the Financial Statements  
For the Year Ended June 30, 2014

NOTE 5 - Defined Benefit Pension Plan

*Plan description* - The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A 74-4901 *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

*Funding Policy.* K.S.A. 74-4919 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4%-5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The State of Kansas is required to contribute the statutory required employers share. Estimated Kansas contributions to KPERS for the District employees for the years ending June 30, 2014, 2013, and 2012 were \$1,668,240, \$1,433,968, and \$1,562,330, respectively, equal to the required contributions for each year.

NOTE 6 – Sick Leave Buyback

Under terms of the District's personnel policy, the District can buy back unused sick leave from employees at a rate of pay that varies depending on whether the employee is classified or certified and their length of service with the District. For the year ended June 30, 2014, the District purchased \$12,271 in sick leave from District employees.

NOTE 7 - Compensated Absences

Classified employees' vacation days can be carried over to the twelve months following the end of the year in which they were earned. The amount of unused vacation for classified employees as of June 30, 2014 is \$82,944.

NOTE 8 - Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District as of June 30, 2014.

NOTE 9 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters and other events for which the District carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

UNIFIED SCHOOL DISTRICT NO. 230  
Notes to the Financial Statements  
For the Year Ended June 30, 2014

NOTE 10 – Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

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UNIFIED SCHOOL DISTRICT NO. 230  
Summary of Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2014

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Over [Under]</u>
General Funds						
General	\$ 17,145,497	\$ [872,181]	\$ 348,822	\$ 16,622,138	\$ 16,622,138	\$ -
Supplemental General	5,842,801	[307,935]	-	5,534,866	5,534,866	-
Special Purpose Funds:						
Capital Outlay	791,547	-	-	791,547	206,177	585,370
Driver Training	46,800	-	-	46,800	27,790	19,010
Food Service	1,397,248	-	-	1,397,248	1,151,223	246,025
Parent Education	63,215	-	-	63,215	21,300	41,915
Special Education	3,603,650	-	-	3,603,650	3,545,647	58,003
Vocational Education	465,000	-	-	465,000	318,520	146,480
Special Assessment	900,000	-	-	900,000	609,854	290,146
KPERs Special Retirement Contribution	1,950,196	-	-	1,950,196	1,668,240	281,956
Professional Development	73,105	-	-	73,105	45,814	27,291
At Risk (4 Year Old)	45,500	-	-	45,500	29,347	16,153
At Risk (K-12)	958,000	-	-	958,000	894,751	63,249
Bilingual Education	46,500	-	-	46,500	33,225	13,275
Extraordinary Growth Facility	395,000	-	-	395,000	395,000	-
Special Liability	100,000	-	-	100,000	21,747	78,253
Federal Funds	177,652	-	-	177,652	163,092	14,560
Virtual Education	3,695,994	-	-	3,695,994	2,458,239	1,237,755
Gifts and Grants	110,000	-	-	110,000	69,999	40,001
Bond and Interest Fund:						
Bond and Interest	5,973,707	-	5,358,406	11,332,113	11,332,113	-

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230  
General Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2014  
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over Under
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 2,404,243	\$ 2,582,413	\$ 2,274,407	\$ 308,006
Delinquent taxes	6,314	32,755	15,458	17,297
Mineral taxes	46	2	-	2
State aid/grants	12,484,587	13,658,146	14,855,632	[1,197,486]
Reimbursements	269,985	348,822	-	348,822
Total Receipts	<u>15,165,175</u>	<u>16,622,138</u>	<u>\$ 17,145,497</u>	<u>\$ [523,359]</u>
Expenditures				
Instruction	4,846,059	5,373,167	\$ 4,799,703	\$ [573,464]
Student support services	1,054,965	1,150,369	1,082,600	[67,769]
General administration	184,800	399,422	332,200	[67,222]
School administration	1,209,253	1,351,830	1,272,500	[79,330]
Operations and maintenance	1,013,168	1,074,990	1,083,000	8,010
Transportation	818,163	945,426	1,025,000	79,574
Other support services	752,509	869,495	878,000	8,505
Transfers out	5,286,258	5,457,439	6,672,494	1,215,055
Adjustments to comply with legal max	-	-	[872,181]	[872,181]
Adjustments for qualifying budget credits	-	-	348,822	348,822
Total Expenditures	<u>15,165,175</u>	<u>16,622,138</u>	<u>\$ 16,622,138</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230  
Supplemental General Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2014  
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

		Current Year		Variance
	Prior Year			Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 2,227,266	\$ 2,534,306	\$ 2,099,652	\$ 434,654
Delinquent taxes	7,309	32,159	14,387	17,772
Motor vehicle taxes	284,483	298,169	261,506	36,663
Recreational vehicle taxes	3,413	3,391	3,308	83
State aid/grants	2,360,037	2,548,779	2,646,473	[97,694]
Total Receipts	<u>4,882,508</u>	<u>5,416,804</u>	<u>\$ 5,025,326</u>	<u>\$ 391,478</u>
Expenditures				
Instruction	3,021,762	3,118,249	\$ 2,990,301	\$ [127,948]
Operations and maintenance	1,131,319	1,266,522	1,274,500	7,978
Other support services	3,751	2,095	3,000	905
Architecture & Engineering	11,140	-	-	-
Transfers out	902,274	1,148,000	1,575,000	427,000
Adjustments to comply with legal max	-	-	[307,935]	[307,935]
Total Expenditures	<u>5,070,246</u>	<u>5,534,866</u>	<u>\$ 5,534,866</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[187,738]	[118,062]		
Unencumbered Cash, Beginning	<u>1,005,196</u>	<u>817,458</u>		
Unencumbered Cash, Ending	<u>\$ 817,458</u>	<u>\$ 699,396</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230  
Capital Outlay Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2014  
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Delinquent taxes	\$ 59	\$ 16	\$ -	\$ 16
Miscellaneous revenue	<u>157,458</u>	<u>121,555</u>	<u>250,000</u>	<u>[128,445]</u>
Total Receipts	<u>157,517</u>	<u>121,571</u>	<u>\$ 250,000</u>	<u>\$ [128,429]</u>
Expenditures				
Instruction	45,126	313	\$ 396,547	\$ 396,234
Operations and maintenance	167,731	185,812	-	[185,812]
Facilities acquisition and construction	<u>46,883</u>	<u>20,052</u>	<u>395,000</u>	<u>374,948</u>
Total Expenditures	<u>259,740</u>	<u>206,177</u>	<u>\$ 791,547</u>	<u>\$ 585,370</u>
Receipts Over [Under] Expenditures	[102,223]	[84,606]		
Unencumbered Cash, Beginning	<u>753,136</u>	<u>650,913</u>		
Unencumbered Cash, Ending	<u>\$ 650,913</u>	<u>\$ 566,307</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230  
Driver Training Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2014  
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 21,563	\$ 28,536	\$ 25,000	\$ 3,536
State aid	6,975	6,170	11,500	[5,330]
Total Receipts	<u>28,538</u>	<u>34,706</u>	<u>\$ 36,500</u>	<u>\$ [1,794]</u>
Expenditures				
Instruction	20,917	23,820	\$ 39,300	\$ 15,480
Vehicle operating and maintenance	4,177	3,970	7,500	3,530
Total Expenditures	<u>25,094</u>	<u>27,790</u>	<u>\$ 46,800</u>	<u>\$ 19,010</u>
Receipts Over [Under] Expenditures	3,444	6,916		
Unencumbered Cash, Beginning	<u>33,713</u>	<u>37,157</u>		
Unencumbered Cash, Ending	<u>\$ 37,157</u>	<u>\$ 44,073</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230  
Food Service Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2014  
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Federal aid	\$ 394,773	\$ 385,028	\$ 358,978	\$ 26,050
State aid	10,916	10,943	9,560	1,383
Charges for services	601,367	677,841	831,565	[153,724]
Miscellaneous	19,820	16,857	25,000	[8,143]
Investment income	20,000	20,000	25,000	[5,000]
Transfers in	40,000	-	40,000	[40,000]
Total Receipts	<u>1,086,876</u>	<u>1,110,669</u>	<u>\$ 1,290,103</u>	<u>\$ [179,434]</u>
Expenditures				
Operation and maintenance	20,474	13,439	\$ 42,100	\$ 28,661
Food service operation	<u>1,068,752</u>	<u>1,137,784</u>	<u>1,355,148</u>	<u>217,364</u>
Total Expenditures	<u>1,089,226</u>	<u>1,151,223</u>	<u>\$ 1,397,248</u>	<u>\$ 246,025</u>
Receipts Over [Under] Expenditures	[2,350]	[40,554]		
Unencumbered Cash, Beginning	<u>113,831</u>	<u>111,481</u>		
Unencumbered Cash, Ending	<u>\$ 111,481</u>	<u>\$ 70,927</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230  
Parent Education Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2014  
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Miscellaneous revenue	\$ 21,300	\$ -	\$ -	\$ -
Transfers in	-	8,200	50,000	[41,800]
Total Receipts	<u>21,300</u>	<u>8,200</u>	<u>\$ 50,000</u>	<u>\$ [41,800]</u>
Expenditures				
Student support services	<u>21,588</u>	<u>21,300</u>	<u>\$ 63,215</u>	<u>\$ 41,915</u>
Total Expenditures	<u>21,588</u>	<u>21,300</u>	<u>\$ 63,215</u>	<u>\$ 41,915</u>
Receipts Over [Under] Expenditures	[288]	[13,100]		
Unencumbered Cash, Beginning	<u>13,503</u>	<u>13,215</u>		
Unencumbered Cash, Ending	<u>\$ 13,215</u>	<u>\$ 115</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230  
Special Education Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2014  
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Federal aid	\$ 455,395	\$ 441,537	\$ 560,000	\$ [118,463]
Reimbursements	60,096	92,079	-	92,079
Miscellaneous revenue	17,153	27,320	20,000	7,320
Investment income	41,107	29,099	60,000	[30,901]
Transfers in	<u>2,735,042</u>	<u>2,838,000</u>	<u>2,911,500</u>	<u>[73,500]</u>
Total Receipts	<u>3,308,793</u>	<u>3,428,035</u>	<u>\$ 3,551,500</u>	<u>\$ [123,465]</u>
Expenditures				
Instruction	2,615,298	2,622,447	\$ 2,777,000	\$ 154,553
Student support services	564,947	502,811	575,000	72,189
General administration	12,993	190,241	13,650	[176,591]
Transportation	<u>220,156</u>	<u>230,148</u>	<u>238,000</u>	<u>7,852</u>
Total Expenditures	<u>3,413,394</u>	<u>3,545,647</u>	<u>\$ 3,603,650</u>	<u>\$ 58,003</u>
Receipts Over [Under] Expenditures	[104,601]	[117,612]		
Unencumbered Cash, Beginning	<u>312,978</u>	<u>208,377</u>		
Unencumbered Cash, Ending	<u>\$ 208,377</u>	<u>\$ 90,765</u>		

See independent auditor's report on the financial statements.



UNIFIED SCHOOL DISTRICT NO. 230  
Vocational Education Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2014  
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Federal aid	\$ -	\$ -	\$ 25,000	\$ [25,000]
Miscellaneous revenue	1,320	4,215	40,000	[35,785]
Reimbursements	3,753	-	-	-
Transfers in	203,274	315,000	400,000	[85,000]
Total Receipts	<u>208,347</u>	<u>319,215</u>	<u>\$ 465,000</u>	<u>\$ [145,785]</u>
Expenditures				
Instruction	<u>254,159</u>	<u>318,520</u>	<u>\$ 465,000</u>	<u>\$ 146,480</u>
Total Expenditures	<u>254,159</u>	<u>318,520</u>	<u>\$ 465,000</u>	<u>\$ 146,480</u>
Receipts Over [Under] Expenditures	[45,812]	695		
Unencumbered Cash, Beginning	<u>49,332</u>	<u>3,520</u>		
Unencumbered Cash, Ending	<u>\$ 3,520</u>	<u>\$ 4,215</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230  
Special Assessment Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2014  
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 620,421	\$ 464,284	\$ 412,599	\$ 51,685
Delinquent taxes	2,283	5,973	4,063	1,910
Motor vehicle taxes	14,442	44,438	39,492	4,946
Recreational vehicle taxes	173	472	499	[27]
Miscellaneous	-	13,626	-	13,626
Total Receipts	<u>637,319</u>	<u>528,793</u>	<u>\$ 456,653</u>	<u>\$ 72,140</u>
Expenditures				
Instruction	102,135	254,165	\$ -	\$ [254,165]
Operations and maintenance	-	154,115	-	[154,115]
Facilities acquisition	132,186	201,574	900,000	698,426
Total Expenditures	<u>234,321</u>	<u>609,854</u>	<u>\$ 900,000</u>	<u>\$ 290,146</u>
Receipts Over [Under] Expenditures	402,998	[81,061]		
Unencumbered Cash, Beginning	<u>625,895</u>	<u>1,028,893</u>		
Unencumbered Cash, Ending	<u>\$ 1,028,893</u>	<u>\$ 947,832</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230  
KPERs Special Retirement Contribution Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2014  
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
State aid	\$ 1,433,968	\$ 1,668,240	\$ 1,950,196	\$ [281,956]
Total Receipts	<u>1,433,968</u>	<u>1,668,240</u>	<u>\$ 1,950,196</u>	<u>\$ [281,956]</u>
Expenditures				
Instruction	967,192	1,125,207	\$ 1,425,000	\$ 299,793
Student support services	66,999	77,944	88,000	10,056
Instructional support services	52,097	60,608	55,000	[5,608]
General administration	54,246	63,109	50,000	[13,109]
School administration	120,105	139,726	125,000	[14,726]
Other support services	55,806	64,923	60,000	[4,923]
Operations and maintenance	86,514	100,648	100,000	[648]
Food service	31,009	36,075	47,196	11,121
Total Expenditures	<u>1,433,968</u>	<u>1,668,240</u>	<u>\$ 1,950,196</u>	<u>\$ 281,956</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2  
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UNIFIED SCHOOL DISTRICT NO. 230  
Professional Development Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2014  
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfers in	\$ 45,000	\$ 40,000	\$ 65,000	\$ [25,000]
Total Receipts	<u>45,000</u>	<u>40,000</u>	<u>\$ 65,000</u>	<u>\$ [25,000]</u>
Expenditures				
Instructional support services	42,492	43,969	\$ 73,105	\$ 29,136
Other support services	<u>4,947</u>	<u>1,845</u>	<u>-</u>	<u>[1,845]</u>
Total Expenditures	<u>47,439</u>	<u>45,814</u>	<u>\$ 73,105</u>	<u>\$ 27,291</u>
Receipts Over [Under] Expenditures	[2,439]	[5,814]		
Unencumbered Cash, Beginning	<u>12,415</u>	<u>9,976</u>		
Unencumbered Cash, Ending	<u>\$ 9,976</u>	<u>\$ 4,162</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230  
At Risk (4 Year Old) Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2014  
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfers in	\$ 30,000	\$ 25,000	\$ 40,000	\$ [15,000]
Total Receipts	<u>30,000</u>	<u>25,000</u>	<u>\$ 40,000</u>	<u>\$ [15,000]</u>
Expenditures				
Instruction	<u>30,303</u>	<u>29,347</u>	\$ 45,500	\$ 16,153
Total Expenditures	<u>30,303</u>	<u>29,347</u>	<u>\$ 45,500</u>	<u>\$ 16,153</u>
Receipts Over [Under] Expenditures	[303]	[4,347]		
Unencumbered Cash, Beginning	<u>8,963</u>	<u>8,660</u>		
Unencumbered Cash, Ending	<u>\$ 8,660</u>	<u>\$ 4,313</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230  
At Risk (K-12) Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2014  
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfers in	\$ 815,000	\$ 890,000	\$ 1,000,000	\$ [110,000]
Total Receipts	<u>815,000</u>	<u>890,000</u>	<u>\$ 1,000,000</u>	<u>\$ [110,000]</u>
Expenditures				
Instruction	843,788	862,642	\$ 933,000	\$ 70,358
Transportation	<u>32,511</u>	<u>32,109</u>	<u>25,000</u>	<u>[7,109]</u>
Total Expenditures	<u>876,299</u>	<u>894,751</u>	<u>\$ 958,000</u>	<u>\$ 63,249</u>
Receipts Over [Under] Expenditures	[61,299]	[4,751]		
Unencumbered Cash, Beginning	<u>70,421</u>	<u>9,122</u>		
Unencumbered Cash, Ending	<u>\$ 9,122</u>	<u>\$ 4,371</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230  
Bilingual Education Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2014  
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year	Current Year		Variance Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Transfers in	\$ 32,000	\$ 31,000	\$ 45,000	\$ [14,000]
Miscellaneous	540	-	750	[750]
Total Receipts	<u>32,540</u>	<u>31,000</u>	<u>\$ 45,750</u>	<u>\$ [14,750]</u>
Expenditures				
Instruction	<u>32,767</u>	<u>33,225</u>	<u>\$ 46,500</u>	<u>\$ 13,275</u>
Total Expenditures	<u>32,767</u>	<u>33,225</u>	<u>\$ 46,500</u>	<u>\$ 13,275</u>
Receipts Over [Under] Expenditures	[227]	[2,225]		
Unencumbered Cash, Beginning	<u>4,301</u>	<u>4,074</u>		
Unencumbered Cash, Ending	<u>\$ 4,074</u>	<u>\$ 1,849</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230  
Extraordinary Growth Facility Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2014  
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 203,454	\$ 385,100	\$ 353,549	\$ 31,551
Delinquent taxes	945	4,358	1,289	3,069
Motor vehicle taxes	70,699	45,497	39,660	5,837
Recreational vehicle taxes	855	533	502	31
Total Receipts	<u>275,953</u>	<u>435,488</u>	<u>\$ 395,000</u>	<u>\$ 40,488</u>
Expenditures				
State payment	<u>303,756</u>	<u>395,000</u>	<u>\$ 395,000</u>	<u>\$ -</u>
Total Expenditures	<u>303,756</u>	<u>395,000</u>	<u>\$ 395,000</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[27,803]	40,488		
Unencumbered Cash, Beginning	<u>27,804</u>	<u>1</u>		
Unencumbered Cash, Ending	<u>\$ 1</u>	<u>\$ 40,489</u>		

See independent auditor's report on the financial statements.



UNIFIED SCHOOL DISTRICT NO. 230  
Special Liability Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2014  
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 91,381	\$ 29,193	\$ 26,447	\$ 2,746
Delinquent taxes	567	954	598	356
Motor vehicle taxes	4,813	7,422	6,546	876
Recreational vehicle taxes	58	80	83	[3]
Total Receipts	<u>96,819</u>	<u>37,649</u>	<u>\$ 33,674</u>	<u>\$ 3,975</u>
Expenditures				
Instruction	19,380	21,747	\$ 100,000	\$ 78,253
General Administration	7,839	-	-	-
Total Expenditures	<u>27,219</u>	<u>21,747</u>	<u>\$ 100,000</u>	<u>\$ 78,253</u>
Receipts Over [Under] Expenditures	69,600	15,902		
Unencumbered Cash, Beginning	<u>118,719</u>	<u>188,319</u>		
Unencumbered Cash, Ending	<u>\$ 188,319</u>	<u>\$ 204,221</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230  
Federal Funds  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2014

	<u>Title I</u>	<u>Title II</u>	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts					
Federal aid	\$ 127,961	\$ 35,131	\$ 163,092	\$ 177,652	\$ [14,560]
Total Receipts	<u>127,961</u>	<u>35,131</u>	<u>163,092</u>	<u>\$ 177,652</u>	<u>\$ [14,560]</u>
Expenditures					
Instruction	123,896	35,131	159,027	\$ 177,652	\$ 18,625
School administration	<u>4,065</u>	<u>-</u>	<u>4,065</u>	<u>-</u>	<u>[4,065]</u>
Total Expenditures	<u>127,961</u>	<u>35,131</u>	<u>163,092</u>	<u>\$ 177,652</u>	<u>\$ 14,560</u>
Receipts Over [Under] Expenditures	-	-	-		
Unencumbered Cash, Beginning	-	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230  
Virtual Education Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2014  
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfers in	\$ 2,288,216	\$ 2,458,239	\$ 3,695,994	\$ [1,237,755]
Total Receipts	<u>2,288,216</u>	<u>2,458,239</u>	<u>\$ 3,695,994</u>	<u>\$ [1,237,755]</u>
Expenditures				
Instruction	2,247,243	2,390,056	\$ 3,695,994	\$ 1,305,938
Central services	-	10,393	-	[10,393]
Operations and maintenance	<u>40,973</u>	<u>57,790</u>	<u>-</u>	<u>[57,790]</u>
Total Expenditures	<u>2,288,216</u>	<u>2,458,239</u>	<u>\$ 3,695,994</u>	<u>\$ 1,237,755</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230  
Textbook Rental Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Years Ended June 30, 2014 and 2013

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Charges for services	\$ 172,847	\$ 160,206
Total Receipts	<u>172,847</u>	<u>160,206</u>
Expenditures		
Instruction	<u>216,062</u>	<u>196,304</u>
Total Expenditures	<u>216,062</u>	<u>196,304</u>
Receipts Over [Under] Expenditures	[43,215]	[36,098]
Unencumbered Cash, Beginning	<u>177,594</u>	<u>134,379</u>
Unencumbered Cash, Ending	<u>\$ 134,379</u>	<u>\$ 98,281</u>

\* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 230  
Gifts and Grants Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2014  
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Miscellaneous revenue	\$ 84,692	\$ 46,512	\$ 75,000	\$ [28,488]
Total Receipts	<u>84,692</u>	<u>46,512</u>	<u>\$ 75,000</u>	<u>\$ [28,488]</u>
Expenditures				
Instruction	<u>48,061</u>	<u>69,999</u>	<u>\$ 110,000</u>	<u>\$ 40,001</u>
Total Expenditures	<u>48,061</u>	<u>69,999</u>	<u>\$ 110,000</u>	<u>\$ 40,001</u>
Receipts Over [Under] Expenditures	36,631	[23,487]		
Unencumbered Cash, Beginning	<u>39,275</u>	<u>75,906</u>		
Unencumbered Cash, Ending	<u>\$ 75,906</u>	<u>\$ 52,419</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230  
Contingency Reserve Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Years Ended June 30, 2014 and 2013

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfers in	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Instruction	-	-
Total Expenditures	-	-
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	500,419	500,419
Unencumbered Cash, Ending	<u>\$ 500,419</u>	<u>\$ 500,419</u>

\* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 230  
2012 Bond Construction Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Years Ended June 30, 2014 and 2013

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Prepaid interest	\$ 74,876	\$ 18,279
Total Receipts	<u>74,876</u>	<u>18,279</u>
Expenditures		
Capital outlay	<u>14,314,767</u>	<u>6,989,401</u>
Total Expenditures	<u>14,314,767</u>	<u>6,989,401</u>
Receipts Over [Under] Expenditures	[14,239,891]	[6,971,122]
Unencumbered Cash, Beginning	<u>25,298,556</u>	<u>11,058,665</u>
Unencumbered Cash, Ending	<u>\$ 11,058,665</u>	<u>\$ 4,087,543</u>

\* This fund is not required to be budgeted.

SCHEDULE 2  
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UNIFIED SCHOOL DISTRICT NO. 230  
Bond and Interest Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2014  
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year	Current Year		Variance Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 2,723,554	\$ 2,917,318	\$ 2,582,298	\$ 335,020
Delinquent taxes	10,528	37,572	17,592	19,980
Motor vehicle taxes	322,508	341,592	299,888	41,704
Recreational vehicle taxes	3,889	3,866	3,793	73
State aid/grants	2,354,829	2,485,544	2,628,431	[142,887]
Bond proceeds	9,856,152	5,358,406	-	5,358,406
Bond premium	<u>6,827</u>	<u>3,567</u>	<u>-</u>	<u>3,567</u>
Total Receipts	<u>15,278,287</u>	<u>11,147,865</u>	<u>\$ 5,532,002</u>	<u>\$ 5,615,863</u>
Expenditures				
Interest	3,753,485	3,723,706	\$ 3,723,707	\$ 1
Principal	1,990,000	2,250,000	2,250,000	-
Issuance costs	145,546	99,344	-	[99,344]
Refunded interest	585,606	154,063	-	[154,063]
Refunded principal	9,125,000	5,105,000	-	[5,105,000]
Adjustments for qualifying budget credits	<u>-</u>	<u>-</u>	<u>5,358,406</u>	<u>5,358,406</u>
Total Expenditures	<u>15,599,637</u>	<u>11,332,113</u>	<u>\$ 11,332,113</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[321,350]	[184,248]		
Unencumbered Cash, Beginning	<u>7,668,644</u>	<u>7,347,294</u>		
Unencumbered Cash, Ending	<u>\$ 7,347,294</u>	<u>\$ 7,163,046</u>		

See independent auditor's report on the financial statements.



UNIFIED SCHOOL DISTRICT NO. 230  
Agency Funds  
Summary of Receipts and Disbursements  
Regulatory Basis  
For the Year Ended June 30, 2014

<u>FUND</u>	Restated Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
Prairie Creek Elementary School				
Library	\$ 220	\$ 174	\$ 35	\$ 359
Art fees	125	-	-	125
EFG	2,400	-	17	2,383
Interest	1,399	5	-	1,404
Lifetouch	747	1,045	707	1,085
Pepsi cola	8	-	-	8
Watch Dogs	14	123	57	80
Petty cash	-	16,007	16,007	-
Student council	575	2,052	2,011	616
Student needs	89	454	-	543
Target	-	855	-	855
Music department	223	183	158	248
Donations	3,111	738	1,808	2,041
Total Prairie Creek Elementary Activity Funds	8,911	21,636	20,800	9,747
Spring Hill Elementary School				
Art	1,425	-	-	1,425
Counseling programs	44	140	-	184
Library	1,959	323	-	2,282
Field trip	767	-	-	767
Interest	1,605	1	-	1,606
Petty cash	-	3,221	3,221	-
Pop machine	882	644	1,211	315
Rebates	2,021	3,448	3,155	2,314
Sprint Foundation	250	-	-	250
Watch Dogs	31	300	261	70
Teachers' fund	1,852	550	625	1,777
Student council	3,098	3,354	4,341	2,111
Math	196	-	19	177
Music	229	-	-	229
Science	196	-	35	161
Total Spring Hill Elementary Activity Funds	14,555	11,981	12,868	13,668

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230  
Agency Funds  
Summary of Receipts and Disbursements  
Regulatory Basis  
For the Year Ended June 30, 2014

<u>FUND</u>	Restated Beginning Cash <u>Balance</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Ending Cash <u>Balance</u>
Wolf Creek Elementary School				
Library	\$ 803	\$ 1,051	\$ 782	\$ 1,072
Field trip	1,265	4,231	4,365	1,131
Interest	164	7	56	115
Petty cash	-	7,008	7,008	-
Pop	511	1,409	1,312	608
Rebates	4,487	3,759	3,105	5,141
SOM	147	-	141	6
Watch Dogs	252	432	639	45
Teachers' fund	1,133	585	688	1,030
Student council	264	1,592	1,498	358
Ray Hill	-	150	126	24
New Teachers	-	200	-	200
5th Grade	-	594	579	15
Team Harper	-	2,159	2,159	-
Math	94	-	-	94
Total Wolf Creek Elementary Activity Funds	9,120	23,177	22,458	9,839
Spring Hill Middle School				
Music	3,641	3,458	4,245	2,854
Drama	5,938	793	902	5,829
S.A.C.	16,299	8,403	8,121	16,581
8th Grade	1,790	9,867	9,426	2,231
7th Grade	3,060	5,847	6,332	2,575
6th Grade	1,849	7,987	8,329	1,507
Teachers fund	4,302	1,211	2,339	3,174
Library	3,771	200	-	3,971
CPR	669	2	-	671
Career day activities	1,005	-	-	1,005
Taxes	29	4,960	4,936	53
Family and consumer science	1,452	150	905	697
Shop	827	2	-	829
Cheerleaders	355	4,290	2,957	1,688
Pep club	920	3	-	923
Total Spring Hill Middle Activity Funds	45,907	47,173	48,492	44,588

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230  
Agency Funds  
Summary of Receipts and Disbursements  
Regulatory Basis  
For the Year Ended June 30, 2014

<u>FUND</u>	Restated Beginning Cash <u>Balance</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Ending Cash <u>Balance</u>
Spring Hill High School				
Music	\$ 2,201	\$ 3,209	\$ 4,600	\$ 810
Stuco	3,668	9,867	8,730	4,805
SADD	3,204	3,758	3,836	3,126
Sp prom	6,161	6,485	385	12,261
Scholastic competition	1,147	1,050	1,450	747
Student activity	72	1	-	73
Volunteer	2,882	7,060	4,213	5,729
National Honor Society	353	1,433	1,481	305
Debate/forensics	1,991	4,846	4,816	2,021
Drama	2	-	2	-
Strings	-	15,888	15,617	271
Theatre	813	8,989	9,201	601
Theatre Activity	1,881	10,817	11,571	1,127
Student Publications	7,178	21,416	14,548	14,046
Seniors	4,500	271	3,564	1,207
Juniors	949	9,235	10,025	159
Sophomores	4,992	3,771	3,079	5,684
Freshman	1,914	3,051	1,914	3,051
Teachers fund	198	1,319	1,052	465
Library	852	1,663	1,857	658
School Development	2,891	372	-	3,263
Misc/St. activities	4,226	6,583	6,619	4,190
Youth services	31	2	-	33
Uniform/Equipment	-	15,731	15,729	2
Career Development	1,026	2,136	2,110	1,052
Art	293	180	158	315
FHA	450	971	764	657
Industrial Art	589	3	-	592
Foreign language	-	2	-	2
Business club	297	2	-	299
Science club	718	188	41	865
Spring Hill FFA	1,834	10,210	10,943	1,101
FFA Horticulture	4,096	3	3,167	932
Job club	265	3	-	268
Spirit club	3,964	346	1,234	3,076
Cheerleaders	1,142	14,122	13,670	1,594
Drill team	3,357	9,310	12,564	103
Total Spring Hill High School Activity Funds	<u>70,137</u>	<u>174,293</u>	<u>168,940</u>	<u>75,490</u>
Total Agency Funds	<u>\$ 148,630</u>	<u>\$ 278,260</u>	<u>\$ 273,558</u>	<u>\$ 153,332</u>

See independent auditor's report on the financial statements.

## SCHEDULE 4

UNIFIED SCHOOL DISTRICT NO. 230  
 District Activities - Gate Receipts and School Project Funds  
 Schedule of Receipts, Expenditures and Unencumbered Cash  
 Regulatory Basis  
 For the Year Ended June 30, 2014

FUND	Restated Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<u>Gate Receipts:</u>							
Spring Hill Middle School	\$ 27,650	\$ -	\$ 22,488	\$ 25,122	\$ 25,016	\$ -	\$ 25,016
Spring Hill High School	<u>55,457</u>	<u>-</u>	<u>154,849</u>	<u>170,910</u>	<u>39,396</u>	<u>-</u>	<u>39,396</u>
Total Gate Receipts	<u>83,107</u>	<u>-</u>	<u>177,337</u>	<u>196,032</u>	<u>64,412</u>	<u>-</u>	<u>64,412</u>
<u>School Projects:</u>							
Wolf Creek Elementary School							
Yearbook	<u>1,425</u>	<u>-</u>	<u>5,252</u>	<u>5,400</u>	<u>1,277</u>	<u>-</u>	<u>1,277</u>
Total Wolf Creek Elementary School	<u>1,425</u>	<u>-</u>	<u>5,252</u>	<u>5,400</u>	<u>1,277</u>	<u>-</u>	<u>1,277</u>
Spring Hill Elementary School							
Yearbook	<u>2,884</u>	<u>-</u>	<u>3,802</u>	<u>3,738</u>	<u>2,948</u>	<u>-</u>	<u>2,948</u>
Total Spring Hill Elementary School	<u>2,884</u>	<u>-</u>	<u>3,802</u>	<u>3,738</u>	<u>2,948</u>	<u>-</u>	<u>2,948</u>
Spring Hill Middle School							
Yearbook	689	-	5,543	5,890	342	-	342
Concessions	<u>10,772</u>	<u>-</u>	<u>14,230</u>	<u>14,647</u>	<u>10,355</u>	<u>-</u>	<u>10,355</u>
Total Spring Hill Middle School	<u>11,461</u>	<u>-</u>	<u>19,773</u>	<u>20,537</u>	<u>10,697</u>	<u>-</u>	<u>10,697</u>
Spring Hill High School							
Concessions	<u>5,061</u>	<u>-</u>	<u>42,568</u>	<u>35,568</u>	<u>12,061</u>	<u>-</u>	<u>12,061</u>
Total Spring Hill High School	<u>5,061</u>	<u>-</u>	<u>42,568</u>	<u>35,568</u>	<u>12,061</u>	<u>-</u>	<u>12,061</u>
Total School Projects	<u>20,831</u>	<u>-</u>	<u>71,395</u>	<u>65,243</u>	<u>26,983</u>	<u>-</u>	<u>26,983</u>
Total District Activity Funds	<u>\$ 103,938</u>	<u>\$ -</u>	<u>\$ 248,732</u>	<u>\$ 261,275</u>	<u>\$ 91,395</u>	<u>\$ -</u>	<u>\$ 91,395</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
<u>U.S. Department of Education</u>					
Passed Through State Department of Education:					
Title I Grants to Local Educational Agencies	84.010	\$ -	\$ 127,961	\$ 127,961	\$ -
Special Education Grants to States	84.027	-	428,409	428,409	-
Special Education - Preschool Grants	84.173	-	13,128	13,128	-
School Preparedness	84.302	1,250	-	-	1,250
Improving Teacher Quality State Grants	84.367	-	35,131	35,131	-
Total U.S. Department of Education			<u>604,629</u>	<u>604,629</u>	
<u>U.S. Department of Agriculture</u>					
Passed Through State Department of Education:					
School Breakfast Program	10.553	-	59,941	59,941	-
National School Lunch Program	10.555	-	323,546	323,546	-
Special Milk	10.556	-	1,141	1,141	-
Team Nutrition Training	10.574	-	400	400	-
Total U.S. Department of Agriculture			<u>385,028</u>	<u>385,028</u>	
Total Expenditures of Federal Awards			<u>\$ 989,657</u>	<u>\$ 989,657</u>	

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2014

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of all federal financial assistance programs of Unified School District No. 230. All expenditures of federal financial assistance received directly from federal agencies, if any as well as federal financial assistance passed through other government agencies is included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances.

UNIFIED SCHOOL DISTRICT NO. 230  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified - Regulatory Basis  
Adverse - GAAP

Internal control over financial reporting:

Material weakness(es) identified?            Yes     X     No

Significant deficiency(ies) identified that are not  
considered to be material weaknesses?            Yes     X     None reported

Noncompliance material to financial statements noted?            Yes     X     No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?            Yes     X     No

Significant deficiency(ies) identified that are not  
considered to be material weaknesses?            Yes     X     None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be  
reported in accordance with section 510(a)  
of Circular A-133?            Yes     X     No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
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10.553, 10.555	Child Nutrition Cluster
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Dollar threshold used to distinguish between  
type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?     X     Yes            No

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230  
Schedule of Findings and Questioned Costs - Continued  
For The Year Ended June 30, 2014

Section II - Financial Statement Findings

Current Year Findings

None noted

Prior Year Findings

None noted

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None noted

Prior Year Findings

None noted





**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"**

Board of Education  
Unified School District No. 230  
Spring Hill, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the Kansas Municipal Audit and Accounting, the financial statements of the Unified School District No. 230, (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated December 2, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal controls exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain other matters that we reported to management of the District in a separate letter dated December 2, 2014.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mike Houser : Company PA*

Certified Public Accountants

Lawrence, KS  
December 2, 2014

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Education  
Unified School District No. 230  
Spring Hill, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of the Unified School District No. 230, (the District) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal financial programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the Kansas Municipal Audit and Accounting Guide. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Mig Houser & Company PA*

Certified Public Accountants

Lawrence, KS  
December 2, 2014